

SENATE BILL 2563

By Clabough

AN ACT to amend Tennessee Code Annotated, Title 56, relative to fee disclosure for physicians licensed pursuant to Title 63, Chapters 6 and 9.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, Part 10, is amended by adding the following as a new section to be appropriately designated:

(a) For the purposes of this section, "health insurance carrier" means any entity subject to the insurance laws and regulations of this state, or subject to the jurisdiction of the commissioner of commerce and insurance that contracts with physicians, licensed pursuant to Tennessee Code Annotated, Title 63, Chapter 6 or 9, or hospitals in connection with a plan of health insurance, health benefits or health services.

(b) Health insurance carriers shall provide or make available to a physician or hospital, when contracting with such physician or hospital, payment or fee schedules or other information sufficient to enable the physician or hospital to determine the manner and exact amount of payments under the contract for the physician's or hospital's services prior to final execution of the contract. Any subsequent change to such payment or fee schedules shall be made available to the participating physician or hospital prior to the effective date of the amendment.

(c) Nothing in this section shall preclude a health insurance carrier from changing the terms of the contract with the physician or hospital after the contract is finalized.

SECTION 2. It shall be unlawful for a physician or hospital receiving information pursuant to Section 1 to share such information with an unrelated third party, without the prior written consent of the health insurance carrier.

SECTION 3. If any provisions of this enactment or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the enactment which can be given effect without the invalid provision or application, and to that end the provisions of this enactment are declared to be severable.

SECTION 4. This act shall take effect July 1, 2002, the public welfare requiring it.